



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

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May 1, 2001

Certified Return Receipt
7000 0520 0021 7582 9125

Lon Thomas
Star Stone Quarries, Inc.
4040 South 300 West
Salt Lake City, Utah 84107

Re: Formal Approval of Notice of Intention to Commence Large Mining Operations and Form and Amount of Reclamation Surety, Star Stone Quarries, Inc., Cotton Thomas Mine, M/003/024, Box Elder County, Utah

Dear Mr. Thomas:

On May 1, 2001, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of reclamation surety for Star Stone Quarries, Inc.'s Cotton Thomas mine. The reclamation surety in the amount of \$105,200 is in the form of a surety bond (#ABC0010225) issued by Redland Insurance Company. ***The Division hereby grants its final approval of your large mining notice of intention and the reclamation surety for the Cotton Thomas Mine.*** You may now begin mining operations as outlined in your large mining notice of intention and in accord with the following conditions as outlined in our March 19, 2001 letter, which you accepted on March 30, 2001:

- 1) Identify and fence the property line and disturbed area boundary separating the operator's property from that of the adjacent land owner (Pickett Ranch and Sheep Company). This must be accomplished before July 31, 2001, or before conducting any further mining related activities in the vicinity of the East Granite Pit.
- 2) Apply for, and obtain a mineral lease from the School and Institutional Trust Lands Administration (SITLA) before removing any material or commencing any mining activity on state land located within the SE1/4 of the NW1/4 of Section 20, T14N, R17W.

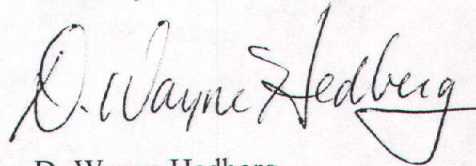
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Lon Thomas
M/003/024
May 1, 2001

Enclosed please find copies of the fully signed and executed Reclamation Contract and surety bond forms for your files. As you are aware, if the rules are changed requiring a surety company be listed on the federal register of acceptable bonding companies, the surety may have to be replaced because, at this time, Redland Insurance Company is not listed on the federal register.

We have also enclosed the original Certificate of Deposit ##062 999 2647648 which was issued by First Security Bank in October 1997 as interim surety until final approval was granted for this project. We have prepared a letter to First Security Bank authorizing them to release these monies back to Thomas American Stone, Inc. (copy enclosed)

Thank you for your help in finalizing this permitting action for the Cotton Thomas Mine. Please call me if you have any questions in this regard.

Sincerely,



D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

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Enclosures: #1 Copies - Reclamation Contract & Surety Bond #ABC0010225,
#2 Original Certificate of Deposit #062 999 2647648,
First Sec. Bank letter

cc: John Blake, SITLA w/Encl #1
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